



U.S. Department of Justice

United States Trustee, Region 10
Central & Southern Districts of Illinois
Northern & Southern Districts of Indiana

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South Bend, Indiana 46601

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Office of the United States Trustee - Region 10
South Bend, Indiana

Monthly Report
for
Debtors-in-Possession and Chapter 11 Trustees

Each month all Chapter 11 debtors must file two copies of this report with the Bankruptcy Clerk. The report must be filed with the attached reports identified below, ready for distribution to the U.S. Trustee no later than the 15th day of the month following the end of the calendar month covered by this report.

Debtor Name: New Schoonbeek Dairy LLC For the month ended: Febr 2010

Case Number: 09-34327 Date Bankruptcy filed: Sept 8-2009

Required Documents:	Attached	Previously Submitted
1. Monthly Income Statement (P&L)	<u>X</u>	<u> </u>
2. Monthly Cash Flow Report (CF; 3 pages)	<u>X</u>	<u> </u>
3. Statement of Operations	<u>X</u>	<u> </u>
4. Other reports/documents as required by the U.S. Trustee	<u>X</u>	<u> </u>

The undersigned certifies under penalty of perjury that the information contained in this and accompanying reports is complete, true and correct to the best of my knowledge, information, and belief.

By Harry Behel Dated: 3/16/2010

Owner (Title) Debtor's telephone number 260-571-3940

Reports prepared by: Laura (Name) accountant Nietzsche & Taupe (Title)

6. List payments made to principals, executives, or insiders (this includes draws or cash withdrawals by individuals or partners, dividends, lease payments on property owned by insider, loans, gross salaries, etc.)

<u>Payee Name</u>	<u>Position</u>	<u>Amount</u>	<u>Explanation</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

7. Schedule of insurance coverage.

<u>Type of Policy</u>	<u>Expiration Date</u>
<u>Same from</u>	<u>Same</u>
<u>last month.</u>	_____

Has any insurance coverage either been reduced or allowed to lapse during this month? If so, explain what changes have taken place.

No

If any insurance coverage will expire within 60 days from this report, explain what steps are being taken to renew existing policies or to acquire new insurance coverage. Provide the United States Trustee with a new certificate.

8. Schedule of changes in personnel.

	<u>Full Time</u>	<u>Part Time</u>
a. Total number of employees at beginning of this period.	<u>20</u>	<u>1</u>
b. Number hired during this period.	<u>—</u>	<u>—</u>
c. Number terminated or resigned.	<u>—</u>	<u>—</u>
d. Total number of employees on payroll at the end of this period.	<u>20</u>	<u>1</u>

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OFFICE OF THE U.S. TRUSTEE - REGION 10

MONTHLY CASH FLOW REPORT

for the month ended 2/28/10

STATUS OF TAXES

	BEGINNING *TAX LIABILITY	AMOUNT WITHHELD OR ACCURED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
**Withholding	<u>101.00</u>	<u>102.00</u>	<u>323.02</u>	<u>0</u>
**FICA-employee	<u>2027.70</u>	<u>3351.75</u>	<u>3409.45</u>	<u>0</u>
**FICA-employer	<u>2027.70</u>	<u>3351.75</u>	<u>3409.45</u>	<u>0</u>
unemployment				
income				
other - list				
a. Subtotal	<u>4210.40</u>	<u>6925.50</u>	<u>11141.90</u>	<u>0</u>

STATE AND LOCAL

withholding	<u>3490.74</u>	<u>2572.79</u>	<u>5767.99</u>	<u>295.54</u>
sales				
excise				
unemployment				
other				
real property				
personal property				
other - list				
b. Subtotal	<u>3490.74</u>	<u>2572.79</u>	<u>5767.99</u>	<u>295.54</u>

TOTAL TAXES PAID - from a. & b. above

(this sum is to be listed on page 1, as tax payments)

Explain the reason for any past due post-petition taxes:

*the beginning tax liability should represent the liability from the prior month or, if this is the first operating report, this should be zero

**Attach photocopies of IRS Form 6123 of your FTD coupon and payment receipt to verify payments or deposits.

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OFFICE OF THE U.S. TRUSTEE - REGION 10

MONTHLY INCOME STATEMENT

As of 2/28/10

Debtor Name

New Schonebeck Dairy, LLC

Case Number

INCOME

CURRENT
MONTH

YEAR TO
DATE

Gross Receipts or Sales
less: returns or allowances

500,074

1,122,512

Cost of Goods

Beginning Inventory

Purchases

Other Costs (list)

less: ending inventory

Cost of Goods Sold

Gross Profit

Interest

Rents

Gain (Loss) from sale of property

Other Income

Total Income

500,891

1,122,512

GENERAL AND ADMINISTRATIVE EXPENSES

Compensation of Officers

Salaries & Wages

Repairs & Maintenance

Supplies

Bad Debts

Rents

Payroll Taxes

Other Taxes

Interest Expense

Depreciation

Insurance

Travel & Entertainment

Utilities & Telephone

Professional & Legal

Other Expenses (Attach Schedule)

Total Expenses

Net Profit (Loss)

67,858

12,599

548.0

25

11,611

105,500

3096

7278

16620

261,781

481,850

18,224

132,060

28,146

16,607

50,000

25

23,476

211,000

3698

13,071

8370

592,063

1,071,916

50,594

03/15/2010 17:53

New Schoonebeek Dairy, LLC
Monthly Income Statement - Detail of Other Expenses

<u>Other Expenses:</u>	<u>February</u>
Animal Health	36,377
Bank charges	1,474
Bedding	6,413
Breeding	5,040
Custom Hire	11,078
Feed	164,403
Fuel	16,407
Milk Hauling	8,227
Marketing	12,205
Misc	157
	<u>\$ 281,781</u>

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OFFICE OF THE U.S. TRUSTEE - REGION 10

MONTHLY CASH FLOW REPORT

for the month ended 2/28/10

Debtor Name

New Schoonebeck Dairy, LLC

Case Number

Reconciled bank balance and cash on hand from last month
(If this is the first report, insert the cash balance as of the
petition date.)(1690)CASH RECEIPTS

from cash sales/receipts	<u>500,074</u>
from collection of pre-petition receivables	_____
from collection of post-petition receivables	_____
from loans	_____
from contributions to capital or from gifts	_____
other receipts (itemize on a separate sheet)	_____
TOTAL RECEIPTS (Do not include beginning	
bank balance)	

500,074CASH DISBURSEMENTS

• inventory purchases	<u>174.00</u>
• net payments to officers/owners	<u>5000</u>
• net payments to other employees	<u>585.00</u>
rent payments	_____
lease payments	_____
mortgage or note payments	<u>39,912</u>
adequate protection payments	_____
insurance	<u>3098</u>
utilities/telephone	<u>7278</u>
** tax payments	<u>16910</u>
supplies	<u>5400</u>
outside labor	_____
travel/entertainment	_____
*** payments to attorneys	<u>120</u>
*** payments to accountants	_____
*** payments to other professionals	_____
U.S. Trustee Quarterly Fee	<u>1,500</u>
other expenses (itemize on separate sheet)	<u>28,001.10</u>
TOTAL DISBURSEMENTS	

446,074**NET CASH FLOW (Total Receipts minus Total Disbursements)**54,000Bank Balance and cash on hand at the end of the month
(beginning balance + cash receipts - cash disbursements)53,310* This figure is the actual cash paid, i.e. gross payroll
less taxes withheld

** This figure comes from page 2 of this form

*** Attach a copy of the court order authorizing such payments

New Schoonebeek Dairy, LLC
Monthly Cash Flow Report - Detail of Other Expenses

Other Expenses:

Animal health	36,377
Bank charges	1,474
Bedding	6,413
Breeding	5,040
Custom hire	11,078
Feed	164,403
Fuel	16,407
Milk hauling	8,227
Interest	11,611
Marketing	12,205
Misc	157
Repairs	12,599
Other taxes	25
	<u>\$ 286,016</u>

PRELIMINARY
MAR 15 2010

NEW SCHOONEBEEK DAIRY, LLC

**FINANCIAL INFORMATION
FEBRUARY 28, 2010**

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PRELIMINARY

MAR 15 2010

NEW SCHOONEBEEK DAIRY, LLC**TABLE OF CONTENTS**

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PRELIMINARY
MAR 15 2010

NEW SCHOONEBEEK DAIRY, LLC

**BALANCE SHEET
FEBRUARY 28, 2010**

<u>ASSETS</u>	
CURRENT ASSETS:	
Cash	\$ 53,310
Commodity receivables	156,503
Other receivables	28,000
Inventory	152,773
TOTAL CURRENT ASSETS	390,586
 PROPERTY AND EQUIPMENT - AT COST:	
Buildings	13,495
Land improvements	160,843
Machinery and equipment	1,110,872
Dairy livestock	3,065,256
TOTAL PROPERTY AND EQUIPMENT - AT COST	4,350,466
Accumulated depreciation	(650,930)
TOTAL PROPERTY AND EQUIPMENT - AT COST	3,699,536
 OTHER ASSETS:	
Investments in cooperatives - net of reserve	198,946
Loan fees - net of amortization	4,356
TOTAL OTHER ASSETS	203,302
 TOTAL ASSETS	 \$ 4,293,424

(Continued)

PRELIMINARY
MAR 15 2010

NEW SCHOONEBEEK DAIRY, LLC

**BALANCE SHEET
FEBRUARY 28, 2010**

<u>LIABILITIES AND MEMBER'S EQUITY (DEFICIT)</u>	
LIABILITIES NOT SUBJECT TO COMPROMISE	
Current liabilities	
Accrued payroll taxes and wages	\$ 22,275
Accounts payable	224,775
Notes payable - Rabo AgriFinance	2,772,954
Current portion of deferred revenue	108,000
TOTAL LIABILITIES NOT SUBJECT TO COMPROMISE	<u>3,128,004</u>
LIABILITIES SUBJECT TO COMPROMISE	
Current liabilities	
Accounts payable	434,632
Forage payable	690,981
Accrued interest	39,855
Accrued expenses	938,000
Total current liabilities	<u>2,103,468</u>
Subordinated debt	554,478
TOTAL LIABILITIES SUBJECT TO COMPROMISE	<u>2,657,946</u>
DEFERRED REVENUE	26,058
TOTAL LIABILITIES	<u>5,812,008</u>
MEMBER'S EQUITY (DEFICIT)	(1,518,584)
TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	<u>\$ 4,293,424</u>

See Accountant's Compilation Report.

NEW SCHOONEBEEK DAIRY, LLC

PRELIMINARY
MAR 16 2011

STATEMENTS OF INCOME

	FOR THE ONE MONTH ENDED FEBRUARY 28, 2010	FOR THE TWO MONTHS ENDED FEBRUARY 28, 2010
REVENUE FROM OPERATIONS:		
Milk	\$ 504,876	\$ 1,019,079
Cull cow revenue	9,693	29,608
Other Income	29,430	57,430
TOTAL REVENUE FROM OPERATIONS	<u>554,451</u>	<u>1,116,569</u>
OPERATING COSTS AND EXPENSES:		
Amortization	500	1,000
Animal health	33,629	79,114
Bank charges	1,474	3,105
Bedding	5,644	12,022
Breeding	5,000	9,900
Cull cow expense	44,936	97,587
Custom hire	13,373	19,308
Depreciation	18,000	36,000
Feed	262,093	552,629
Fuel	19,685	34,690
Hauling and trucking	7,692	15,919
Interest	13,726	29,104
Wages, contract labor, benefits and taxes	65,513	138,805
Marketing	8,626	17,780
Miscellaneous	157	182
Professional fees	1,695	3,445
Repairs and maintenance	8,725	27,793
Rent	50,526	101,540
Supplies	7,551	13,237
Utilities	7,279	13,072
TOTAL OPERATING COSTS AND EXPENSES	<u>581,247</u>	<u>1,211,655</u>
INCOME (LOSS) FROM OPERATIONS	<u>(26,796)</u>	<u>(95,086)</u>
OTHER INCOME (EXPENSE):		
Legal and accounting fees	-	(6,500)
Gain on sale - leaseback	9,000	18,000
TOTAL OTHER INCOME (EXPENSE)	<u>9,000</u>	<u>11,500</u>
NET INCOME (LOSS)	<u>\$ (17,796)</u>	<u>\$ (83,586)</u>

See Accountant's Compilation Report.

PRELIMINARY
MAR 15 2010

NEW SCHOONEBEEK DAIRY, LLC

**STATEMENT OF CHANGES IN MEMBER'S EQUITY (DEFICIT)
FOR THE TWO MONTHS ENDED FEBRUARY 28, 2010**

MEMBER'S EQUITY (DEFICIT), BEGINNING OF THE PERIOD	\$ (1,424,998)
Net income (loss)	(83,586)
Member's withdrawals	(10,000)
MEMBER'S EQUITY (DEFICIT), END OF THE PERIOD	<u>\$ (1,518,584)</u>

PRELIMINARY
MAR 15 2010

SUPPLEMENTARY INFORMATION

PRELIMINARY
MAR 15 2010

NEW SCHOONBEEK DAIRY, LLC

**SCHEDULE OF FEED INVENTORY
FOR THE ONE MONTH ENDED FEBRUARY 28, 2010**

	<u>Balance at</u> <u>1/31/2010</u>	<u>Feed</u> <u>Delivered</u>	<u>Feed</u> <u>Used</u>	<u>Shrink</u>	<u>Balance at</u> <u>2/28/2010</u>
Corn Silage 2008					
Tons	2,750	-	-	-	2,750
Amount/ton	\$ 44.31	\$ -	\$ -	\$ -	\$ 44.31
Total Dollars	\$ 121,856	\$ -	\$ -	\$ -	\$ 121,856
Haylage 2nd cutting 2009					
Tons	537	-	461	23	53
Amount/ton	\$ 55.40	\$ -	\$ 55.40	\$ 55.40	\$ 55.42
Total Dollars	\$ 29,751	\$ -	\$ 25,540	\$ 1,274	\$ 2,937
Haylage 3rd cutting 2009					
Tons	679	-	-	-	679
Amount/ton	\$ 41.21	\$ -	\$ -	\$ -	\$ 41.21
Total Dollars	\$ 27,980	\$ -	\$ -	\$ -	\$ 27,980
Totals	\$ 179,587	\$ -	\$ 25,540	\$ 1,274	\$ 152,773
Summary of Forages Used:			<u>Used</u>	<u>Shrink</u>	<u>Total</u>
Haylage			\$ 25,540	\$ 1,274	\$ 26,814
			\$ 25,540	\$ 1,274	\$ 26,814

See Accountant's Compilation Report.

PRELIMINARY
MAY 13, 2010

NEW SCHONEEBEEK DAIRY, LLC

**SCHEDULE OF FEED EXPENSE
FOR THE MONTHS AND TWO MONTHS ENDED FEBRUARY 28, 2010**

	<u>1/31/2010</u>	<u>2/28/2010</u>	<u>YEAR TO DATE</u>
<u>Forages Used:</u>			
Haylage	\$ 31,493	\$ 26,814	\$ 58,307
Total Forages Used	<u>31,493</u>	<u>26,814</u>	<u>58,307</u>
<u>Other Feed Purchased:</u>			
Cargill Animal Nutrition Inc.	(218)	-	(218)
Fleck Farms	11,579	28,373	39,952
Sanimax Marketing	13,710	32,983	46,693
Synery Feeds	157,534	109,756	267,290
Pleasant Home Farm	42,161	41,018	83,177
Zeeland Farm Services Inc.	34,277	23,151	57,428
Total Other Feed Purchased	<u>259,043</u>	<u>235,279</u>	<u>494,322</u>
Total Feed Expense	<u>\$ 290,536</u>	<u>\$ 262,093</u>	<u>\$ 552,629</u>
<u>Per Cow Info:</u>			
Average Dairy Cows on the Farm	1,759	1,756	1,758
Days in Month	31	28	59
Estimated Feed Per Cow Per Day	\$ 5.33	\$ 5.33	\$ 5.33

PRELIMINARY
Mar 10, 2010

NEW SCHOONEBEEK DAIRY, LLC

SCHEDULE OF DAIRY LIVESTOCK
FOR THE MONTHS AND THE TWO MONTHS ENDED FEBRUARY 28, 2010

	Beginning Balance	Purchases	Sub Total	Sales	Died	Total Cull Cows	Ending Balance
January							
Number of cows	1,661	24	1,685	(20)	(8)	(28)	1,657
Average cost	\$ 1,863	\$ 1,400	\$ 1,856	\$ 1,880	\$ 1,880	\$ 1,880	\$ 1,856
Dollar amount	\$ 3,094,443	\$ 33,600	\$ 3,128,043	\$ (37,600)	\$ (15,051)	\$ (52,651)	\$ 3,075,392
February							
Number of cows	1,657	24	1,681	(18)	(7)	(25)	1,656
Average cost	\$ 1,856	\$ 1,450	\$ 1,850	\$ 1,797	\$ 1,797	\$ 1,797	\$ 1,851
Dollar amount	\$ 3,075,392	\$ 34,800	\$ 3,110,192	\$ (32,346)	\$ (12,590)	\$ (44,936)	\$ 3,065,256
Year to Date							
Number of cows	1,661	48	1,709	(38)	(15)	(53)	1,656
Average cost	\$ 1,863	\$ 1,425	\$ 1,851	\$ 1,841	\$ 1,841	\$ 1,841	\$ 1,851
Dollar amount	\$ 3,094,443	\$ 68,400	\$ 3,162,843	\$ (69,946)	\$ (27,641)	\$ (97,587)	\$ 3,065,256

See Accountant's Compilation Report.

PRELIMINARY

Mar 10 audit

NEW SCHOONEBEEK DAIRY, LLC

SCHEDULE OF INCOME AND EXPENSES
PER CWT OF MILK PRODUCED AND PER COW PER DAY

	NEW SCHOONEBEEK DAIRY, LLC FOR THE ONE MONTH ENDED JANUARY 31, 2010				NEW SCHOONEBEEK DAIRY, LLC FOR THE ONE MONTH ENDED FEBRUARY 28, 2010				NEW SCHOONEBEEK DAIRY, LLC FOR THE TWO MONTHS ENDED FEBRUARY 28, 2010			
	AMOUNT	PER CWT PRODUCED	PER COW PER DAY	AMOUNT	PER CWT PRODUCED	PER COW PER DAY	AMOUNT	PER CWT PRODUCED	PER COW PER DAY	AMOUNT	PER CWT PRODUCED	PER COW PER DAY
Quantity of milk in cwt	30,512				28,753					58,265		
Average number of cows milked per day	1,520				1,524					1,522		
Pounds of milk per cow per day	65				67					68		
Number of cull cows	28				25					59		
Annualized herd turnover rate	18.74%				18.58%					18.65%		
Average cows on farm for the period	1,759				1,766					1,758		
Number of days in period	31				28					59		
Break-even milk price	\$ 19.08				\$ 18.51					\$ 18.80		
Break-even milk production per cow per day	73				71					72		
REVENUE FROM OPERATIONS:												
Milk	\$ 514,203	\$ 16.85	\$ 9.43	\$ 504,878	\$ 17.58	\$ 10.27	\$ 1,019,078	\$ 17.20	\$ 9.83			
Livestock revenue				10,492	0.36	0.21	10,452	0.18	0.10			
Cull cow revenue	19,915	0.65	0.37	8,693	0.34	0.20	29,608	0.50	0.29			
Other income	28,000	0.92	0.51	29,430	1.02	0.80	57,430	0.97	0.55			
TOTAL REVENUE FROM OPERATIONS	\$521,118	18.42	10.31	\$544,451	19.28	11.28	\$1,116,568	18.84	10.77			
OPERATING COSTS AND EXPENSES:												
Amortization	500	0.02	0.01	500	0.02	0.01	1,000	0.02	0.01			
Animal health	45,485	1.49	0.83	33,629	1.17	0.68	79,114	1.33	0.76			
Bank charges	1,831	0.06	0.03	1,474	0.05	0.03	3,105	0.05	0.03			
Bedding	6,378	0.21	0.12	5,644	0.20	0.11	12,022	0.20	0.12			
Breeding	4,900	0.16	0.08	5,000	0.17	0.10	9,900	0.17	0.10			
Cull cow expense	52,651	1.73	0.97	44,838	1.58	0.91	97,587	1.85	0.94			
Custom hire	5,935	0.19	0.11	13,373	0.47	0.27	19,308	0.33	0.19			
Depreciation	18,000	0.59	0.33	18,000	0.63	0.37	36,000	0.61	0.35			
Feed	290,538	9.52	5.33	262,093	8.12	5.33	552,629	9.32	5.33			
Fuel	15,005	0.49	0.28	19,685	0.68	0.40	34,680	0.59	0.33			
Hauling - milk	8,227	0.27	0.15	7,692	0.27	0.16	15,919	0.27	0.15			
Insurance				5,388	0.19	0.11	5,388	0.09	0.05			
Interest	15,378	0.50	0.28	13,728	0.48	0.28	29,104	0.49	0.28			
Wages, contract labor, benefits & taxes	73,292	2.40	1.34	65,613	2.28	1.33	139,805	2.34	1.34			
Marketing	9,154	0.30	0.17	8,626	0.30	0.16	17,780	0.30	0.17			
Miscellaneous	25			157	0.01		182	0.00				
Professional fees	1,750	0.06	0.03	1,695	0.06	0.03	3,445	0.06	0.03			
Repairs & maintenance	19,068	0.62	0.35	8,725	0.30	0.16	27,793	0.47	0.27			
Rent	51,014	1.67	0.94	50,526	1.78	1.03	101,540	1.71	0.98			
Supplies	5,685	0.19	0.10	7,551	0.25	0.16	13,237	0.22	0.13			
Taxes				25			25	0.00				
Utilities	5,793	0.19	0.11	7,278	0.25	0.15	13,072	0.22	0.13			
TOTAL OPERATING COSTS AND EXPENSES	\$30,408	20.65	11.37	\$81,247	20.23	11.81	\$121,655	20.44	11.69			
INCOME (LOSS) FROM OPERATIONS	\$ (68,290)	\$ (2.23)	\$ (1.25)	\$ (26,796)	\$ (0.95)	\$ (0.63)	\$ (95,086)	\$ (1.60)	\$ (0.92)			

(Continued)

NEW SCHOONEBEEK DAIRY, LLC

SCHEDULE OF INCOME AND EXPENSES
PER CWT OF MILK PRODUCED AND PER COW PER DAY

NIETZKE & FAUPEL, PC
DAIRY AVERAGES - NINE MONTHS ENDED
SEPTEMBER 30, 2009

Quantity of milk in cwt	322,656		
Average number of cows milked per day	1,821		
Pounds of milk per cow per day	73		
Number of cull cows	523		
Annualized herd turnover rate	34.28%		
Average cows on farm for the period	2,040		
Number of days in period	273		
Break-even milk price	\$ 16.87		
Break-even milk production per cow per day	94		
		PER CWT	PER COW
		PRODUCED	PER DAY
REVENUE FROM OPERATIONS:			
Milk	\$ 4,215,484	\$ 13.08	\$ 7.57
Livestock revenue	141,094	0.44	0.25
Cull cow revenue	221,142	0.69	0.40
Other income	110,995	0.34	0.20
TOTAL REVENUE FROM OPERATIONS	4,688,725	14.53	8.42

OPERATING COSTS AND EXPENSES:

Amortization	9,456	0.03	0.02
Animal health	176,464	0.55	0.32
Bank charges	4,169	0.01	0.01
Bedding	48,460	0.15	0.06
Breeding	40,701	0.13	0.07
Cull cow expense	980,173	3.04	1.76
Custom hire	97,158	0.30	0.17
Depreciation	352,308	1.09	0.63
Feed	2,690,513	8.03	4.65
Fuel	72,521	0.22	0.13
Hauling - milk	93,225	0.29	0.17
Insurance	40,079	0.12	0.07
Interest	285,047	0.82	0.48
Wages, contract labor, benefits & taxes	508,014	1.57	0.91
Marketing	84,439	0.26	0.15
Miscellaneous	7,533	0.02	0.01
Professional fees	37,672	0.12	0.07
Repairs & maintenance	101,131	0.31	0.18
Rent	148,218	0.46	0.27
Supplies	152,097	0.47	0.27
Taxes	21,785	0.07	0.04
Utilities	91,914	0.28	0.17
TOTAL OPERATING COSTS AND EXPENSES	5,924,095	18.34	10.84
INCOME (LOSS) FROM OPERATIONS	\$ (1,235,370)	\$ (3.81)	\$ (2.22)

See Accountant's Compilation Report

PRELIMINARY
Nov 13, 2009

PRELIMINARY
MAR 15 2010

NEW SCHOONEBEEK DAIRY, LLC

**FINANCIAL STATEMENTS
INCOME TAX BASIS
FEBRUARY 28, 2010**

NEW SCHOONEBEEK DAIRY, LLC

PRELIMINARY

**STATEMENT OF ASSETS, LIABILITIES
AND MEMBER'S EQUITY (DEFICIT)
INCOME TAX BASIS
FEBRUARY 28, 2010**

ASSETS

CURRENT ASSETS:

Cash	\$ 53,310
TOTAL CURRENT ASSETS	53,310

PROPERTY AND EQUIPMENT - AT COST:

Land improvements	\$ 160,843
Buildings	13,495
Machinery and equipment	1,125,234
Dairy livestock	7,433,741
TOTAL PROPERTY AND EQUIPMENT - AT COST	8,733,313
Accumulated depreciation	(5,708,029)
NET PROPERTY AND EQUIPMENT - AT COST	3,025,284

OTHER ASSETS:

Investments in cooperatives	163,056
Loan fees - net of amortization	4,356
TOTAL OTHER ASSETS	167,412

TOTAL ASSETS	\$ 3,246,006
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LIABILITIES AND MEMBER'S EQUITY (DEFICIT)

LIABILITIES NOT SUBJECT TO COMPROMISE:

Current:

Payroll taxes	\$ 296
Notes payable - Rabo AgriFinance	2,772,954
TOTAL CURRENT LIABILITIES	2,773,250
TOTAL LIABILITIES NOT SUBJECT TO COMPROMISE	2,773,250

LIABILITIES SUBJECT TO COMPROMISE:

Subordinated debt	554,478
TOTAL LIABILITIES SUBJECT TO COMPROMISE	554,478
TOTAL LIABILITIES	3,327,728

MEMBER'S EQUITY (DEFICIT):

Beginning equity (deficit)	(122,318)
Member's (withdrawals)	(10,000)
Net income	50,596
TOTAL MEMBER'S EQUITY (DEFICIT)	(81,722)

TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	\$ 3,246,006
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See Accountant's Compilation Report.

NEW SCHOONEBEEK DAIRY, LLC

PRELIMINARY**STATEMENTS OF INCOME AND EXPENSES
INCOME TAX BASIS**

	ONE MONTH ENDED FEBRUARY 28, 2010	TWO MONTHS ENDED FEBRUARY 28, 2009
INCOME:		
Milk	\$ 450,499	\$ 1,015,154
Livestock revenue	10,452	11,992
Cull cow revenue	9,693	37,456
Other income	29,430	58,910
TOTAL INCOME	500,074	1,123,512
EXPENSES:		
Amortization expense	500	1,000
Animal health	36,377	82,612
Bank charges	1,474	3,105
Bedding	6,413	13,806
Breeding	5,040	8,200
Custom hire, manure hauling & other	11,078	16,761
Depreciation	105,000	210,000
Feed	164,403	394,457
Fuel	16,407	31,412
Hauling and trucking	8,227	17,022
Insurance	3,098	3,098
Interest	11,611	23,476
Wages, contract labor, benefits & taxes	67,858	132,060
Marketing	12,205	25,506
Miscellaneous	157	182
Professional fees	120	1,870
Repairs and maintenance	12,599	28,146
Rent	-	50,000
Supplies	5,480	10,607
Taxes	25	25
Utilities	7,278	13,071
TOTAL EXPENSES	475,350	1,066,416
INCOME (LOSS) FROM OPERATIONS	24,724	57,096
OTHER (EXPENSE):		
Legal fees	(6,500)	(6,500)
TOTAL OTHER (EXPENSE)	(6,500)	(6,500)
NET INCOME (LOSS)	\$ 18,224	\$ 50,596

See Accountant's Compilation Report.

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03/15/10**PRELIMINARY**

New Schoonebeek Dairy, LLC.
General Journal Entries
 February 2010

Type	Date	Memo	Account	Debit	Credit
General Journal	2/28/2010	Record February payroll liab	3003 - Accrued Federal Withholding		162.00
		Record February payroll liab	3001 - Accrued Medicare Withholding		1,281.88
		Record February payroll liab	3002 - Accrued FICA Withholding		5,481.52
		Record February payroll liab	3004 - Accrued State Tax Withholding		2,572.78
		Record February payroll liab	770 - Payroll Expense	9,498.28	
				<u>9,498.28</u>	<u>9,498.28</u>
General Journal	2/28/2010	Record depreciation	2452 - A/D - Dairy Cows		92,800.00
		Record depreciation	2453 - A/D - Improvements - Land		1,200.00
		Record depreciation	2454 - A/D - Machinery & Equipment		11,000.00
		Record depreciation	720 - Depreciation	105,000.00	
				<u>105,000.00</u>	<u>105,000.00</u>
General Journal	2/28/2010	Record amortization	805 - Amortization	500.00	
		Record amortization	270 - Loan fees - Net		500.00
				<u>500.00</u>	<u>500.00</u>
TOTAL				<u>114,998.28</u>	<u>114,998.28</u>

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PRELIMINARY

New Schoonebeek Dairy, LLC.
General Ledger
As of February 28, 2010

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Cash Basis

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
								(889.86)
115 - Wells Fargo					615 - Bank Char...		140.00	(829.86)
Check	2/1/2010	debt			-SPLIT-			27,987.71
Deposit	2/1/2010		Deposit		8033 - Livestock ...	28,817.57	3,900.00	24,087.71
Check	2/1/2010	9533	Friemood Tire		7451 - Diesel		1,738.78	22,350.83
Check	2/1/2010	9585	North Central Co-op		650 - Custom Hire		1,629.00	20,721.83
Check	2/1/2010	9587	Hon's LLC		8032 - Machinery...		453.60	20,268.13
Check	2/1/2010	9578	Tri-W, Inc		8033 - Livestock ...		333.72	19,934.41
Check	2/1/2010	debt	Monarch Manufacturing		8033 - Livestock ...		302.89	19,631.52
Check	2/1/2010	debt	Tractor Supply Co.		8032 - Machinery...		75.00	19,556.52
Check	2/1/2010	9586	Jessica Weiss		615 - Supplies		119.63	19,436.89
Check	2/2/2010	debt	Harford Clarke		6104 - Supplies		2,125.89	17,311.00
Check	2/2/2010	9589	Laxtron Animal Health		7705 - Other Pay...		208.62	17,102.48
Check	2/2/2010	9572	AT & T		4,216.40		4,216.40	12,886.08
Check	2/3/2010	debt	Wells Fargo		-SPLIT-		4,243.25	8,642.83
Check	2/3/2010	9569	Indiana Department of Reven...		3004 - Accrued ...		3,388.24	5,274.59
Check	2/3/2010	9570	Anthem		7703 - Salary		1,724.43	3,550.16
Check	2/3/2010	9577	Dave's Dairy Service		6034 - Milkhouse...		1,547.58	2,002.58
Check	2/3/2010	9580	North Central Co-op		7481 - Diesel		1,014.00	988.58
Check	2/3/2010	9513	Ken Miller		77051 - Rent for ...		24.75	963.83
Check	2/3/2010	9574	Bureau of motor vehicles		620 - Taxes		15.01	948.82
Check	2/3/2010	debt	Speedway		7453 - Propane	7,706.00		8,654.82
Deposit	2/4/2010			Deposit	-SPLIT-		7,000.00	1,654.82
Check	2/4/2010	debt	Zeeland Farm Services		7302 - Commodi...		3,800.00	(1,845.18)
Check	2/4/2010	debt	MIM Vol. Supply Company		6104 - Supplies		1,380.00	(3,225.18)
Check	2/4/2010	9522	ABS Global, Inc		625 - Breeding		1,280.00	(4,485.18)
Check	2/4/2010	9521	ABS Global, Inc		626 - Breeding		1,070.88	(5,556.06)
Check	2/4/2010	9580	Delaval Direct		-SPLIT-		81.22	(5,637.28)
Check	2/4/2010	debt	Wal-Mart		7452 - Gasoline		175.00	(5,812.28)
Check	2/4/2010	debt	Sankmat Marketing		615 - Bank Char...		3,200.00	(9,012.28)
Deposit	2/5/2010			Deposit	7302 - Commodi...	79,679.43		70,662.84
Check	2/5/2010	9581	Synergy Feeds		6001 - Milk Adva...		18,064.13	54,623.24
Check	2/5/2010	9585	Dairy Veterinary Managemen...		7302 - Commodi...		14,062.84	40,560.40
Check	2/5/2010	9587	Hon's LLC		7302 - Commodi...		4,815.52	35,744.88
Check	2/5/2010	9620	Warren Hooser / Blue Flame		-SPLIT-		1,819.05	33,925.83
Check	2/5/2010	9582	Felipe Morales Gutierrez		650 - Custom Hire		1,695.05	32,230.78
Check	2/5/2010	9601	Pablo Molina		7463 - Propane		1,281.74	30,949.04
Check	2/5/2010	9602	Luis Alberto Cervantes		7702 - Hourly		924.02	29,132.52
Check	2/5/2010	9600	marco Antonio		7702 - Hourly		893.54	28,245.26
Check	2/5/2010	9542	Gavino Ramos Ramos		7702 - Hourly		887.27	27,357.99
Check	2/5/2010	9609	Gavino Ramos Ramos		7702 - Hourly		851.14	26,506.85
Check	2/5/2010	9603	Juan Garcia		7702 - Hourly		836.38	25,670.47
Check	2/5/2010	9607	Guillermo Lopez		7702 - Hourly		814.82	24,855.65
Check	2/5/2010	9606	Joy P Murphy		7702 - Hourly		768.59	24,087.06
Check	2/5/2010	9588	Amir Ben-Yoshua		7703 - Salary		488.39	23,598.67
Check	2/5/2010	9594	Farm Bureau Insurance		7702 - Hourly		457.68	23,140.99
Check	2/5/2010	debt	Angel Vicente		7563 - Vehicle In...		295.30	22,845.69
Check	2/5/2010	9613	Mike Bekel		615 - Bank Char...		25.00	22,820.69
Check	2/5/2010	9622	Ayres Farms, Inc		7702 - Hourly		1,109.72	21,710.97
Check	2/5/2010	9589	Yamout Dairy, L.L.C.		7702 - Hourly		331.23	21,379.74
Check	2/9/2010	debt	Delaval Direct		7702 - Hourly		17,400.00	4,979.74
Check	2/9/2010	9584	Staples		220 - Dairy Cows		5,948.00	(1,568.74)
Check	2/9/2010	debt	Circle K		7703 - Salary		350.00	(1,918.74)
Check	2/9/2010	debt	Shell Oil		615 - Bank Char...		2,130.00	(4,048.74)
Check	2/10/2010	debt	US Trustco		-SPLIT-		1,125.15	(5,173.89)
Check	2/10/2010	9568	LaFontaine Gravel, Inc.		7702 - Hourly		101.59	(5,275.48)
Check	2/10/2010	9579	North Central Co-op		8164 - Office Bu...		83.79	(5,359.27)
Check	2/10/2010	9617	Laxtron Animal Health		7452 - Gasoline		53.44	(5,412.71)
Check	2/10/2010	debt	Plevna Implement		7452 - Gasoline		175.00	(5,587.71)
Check	2/10/2010	8571	1st AYD Corporation		615 - Bank Char...		6,500.00	(12,087.71)
Check	2/10/2010	debt	Sankmat Marketing		980 - Bankruptcy ...		2,430.76	(14,518.47)
Check	2/11/2010	debt	Ken Miller		620 - Bonding		1,497.81	(16,016.28)
Check	2/11/2010	9623	North Central Co-op		8033 - Livestock ...		1,438.98	(17,455.26)
Check	2/11/2010	debt	Wells Fargo		7451 - Diesel		1,024.00	(18,479.26)
Check	2/11/2010	9619	Synergy Feeds		6104 - Supplies		640.84	(19,120.10)
Check	2/11/2010	9627	Dairy Veterinary Managemen...		8032 - Machinery...		344.16	(19,464.26)
Check	2/11/2010	9583	USDA		8153 - Farm Sup...		245.00	(19,709.26)
Check	2/11/2010	9649	Fleish Farms		615 - Bank Char...		6,750.00	(26,459.26)
Check	2/13/2010			Service Charge	-SPLIT-		600.00	(27,059.26)
Check	2/16/2010				77051 - Rent for ...		140.00	(27,199.26)
Sales Receipt	2/16/2010	9632	Dairy Farmers of America, Inc.		615 - Bank Char...		2,282.68	(29,481.94)
Check	2/16/2010	9635	Laxtron Animal Health		7451 - Diesel			(29,481.94)
Check	2/16/2010	9638	LaFontaine Gravel, Inc.		6001 - Milk Adva...	86,707.68	3,762.30	(25,719.64)
Check	2/16/2010	9631	Farm Bureau Insurance		-SPLIT-		25,072.19	0.45
Check	2/16/2010	9647	Delaval Direct		7302 - Commodi...		6,880.04	19,291.78
Check	2/16/2010	9647	Hon's LLC		-SPLIT-		3,759.00	15,532.78
Check	2/16/2010	9636	Dave's Dairy Service		650 - Custom Hire		14,075.25	1,457.53
Check	2/16/2010	9631	Adolfo Carranza		615 - Bank Char...		0.60	1,456.93
Check	2/16/2010	9639	Derling International		-SPLIT-		5,405.92	50,339.57
Check	2/16/2010	9643	Plevna Implement		6104 - Supplies		3,982.31	46,357.26
Check	2/16/2010	9643	AT & T		620 - Bonding		2,802.80	43,554.46
Check	2/16/2010	debt	Plevna Implement		7552 - Life Insur...		2,512.10	41,042.36
Check	2/16/2010	debt	Miami-Cass		-SPLIT-		1,839.00	39,203.36
Check	2/16/2010	debt			650 - Custom Hire		1,365.14	37,838.22
					8034 - Milkhouse...		1,301.17	36,537.05
					7702 - Hourly		430.00	36,107.05
					610 - Animal He...		329.70	35,777.35
					8033 - Livestock ...		298.57	35,478.78
					7705 - Other Pay...		175.93	35,302.85
					8033 - Livestock ...		79.95	35,193.80

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Cash Basis**PRELIMINARY****New Schoonebeek Dairy, LLC.
General Ledger
As of February 28, 2010**

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Check	2/16/2010	debt	Southside Supply		8002 - Machinery...	76.97		35,116.93
Check	2/16/2010	debt	Circle K		7482 - Gasoline	85.37		35,031.56
Check	2/16/2010	debt	Plevna Implement		8003 - Livestock ...	51.26		34,980.30
Check	2/16/2010	debt	Speedway		7452 - Gasoline	55.75		34,924.55
Check	2/16/2010	debt	Plevna Implement		8153 - Farm Sup...	41.26		34,883.29
Check	2/16/2010	debt	Lowes		8153 - Farm Sup...	28.14		34,855.15
Check	2/16/2010	debt	Strick Stockade		7905 - Other	22.22		34,832.93
Check	2/16/2010	debt	Subway		7704 - Employee...	20.33		34,812.60
Check	2/17/2010	debt	Harry Bekel		410 - Drawings - ...	5,000.00		29,812.60
Check	2/17/2010	9844	Wabash Valley Refuse		6303 - Garbage	187.09		29,625.51
Check	2/17/2010	9845	Nipco		77052 - Utilities &...	71.33		29,554.18
Deposit	2/18/2010			Deposit	515 - C&I Cows ...	4,868.85		34,425.33
Check	2/18/2010	9818	Synergy Feeds		7302 - Commodit...	17,852.48		16,562.85
Check	2/18/2010	9875	Fountain Community		77051 - Rent for ...	1,576.00		15,000.65
Check	2/18/2010	9812	Caesar Garcia Molina		7702 - Hourly	1,107.17		14,100.48
Check	2/18/2010	9887	Roberto Juarez Texquis		7702 - Hourly	987.10		13,113.38
Check	2/18/2010	debt	Plevna Implement		8002 - Machinery...	555.59		12,557.79
Check	2/18/2010	debt	Big R of Wabash		8153 - Farm Sup...	329.13		12,228.66
Check	2/18/2010	9840	1st AYD Corporation		8153 - Farm Sup...	312.00		11,916.66
Check	2/18/2010	9841	Gordon & Astorstone Profes...		8004 - Legal Fees	120.00		11,796.66
Check	2/18/2010	debt	Southside Supply		8003 - Livestock ...	79.34		11,717.32
Deposit	2/18/2010			Deposit	5001 - Milk Adva...	84,317.51		96,034.83
Check	2/18/2010	debt	Zenland Farm Services		7302 - Commodit...	10,150.00		85,884.83
Check	2/18/2010	debt	Sankmax Marketing		7302 - Commodit...	4,800.00		81,084.83
Check	2/18/2010	9830	Sankmax Marketing		7302 - Commodit...	14,232.65		66,852.18
Check	2/18/2010	9852	Dairy Veterinary Management...		-SPLIT-	5,333.50		61,518.68
Check	2/18/2010	9874	Juan Hernandez		770 - Payroll Exp...	2,149.90		59,368.78
Check	2/18/2010	9808	Guadalupe Perez		7702 - Hourly	1,121.36		58,247.42
Check	2/18/2010				7702 - Hourly	1,115.34		57,132.08
Check	2/18/2010	9888	Felipe Morales Gutierrez		7702 - Hourly	1,072.91		56,059.17
Check	2/18/2010				7702 - Hourly	989.88		55,069.29
Check	2/18/2010	9814	Alfredo Martinez		770 - Payroll Exp...	988.01		54,081.28
Check	2/18/2010	9878	Eduardo Morales		7702 - Hourly	972.91		53,108.37
Check	2/18/2010				7702 - Hourly	814.80		52,293.57
Check	2/18/2010	debt	Duke Energy		77052 - Utilities &...	620.22		51,673.35
Check	2/18/2010	debt	Wal-Mart		8153 - Farm Sup...	127.88		51,545.47
Check	2/18/2010	debt	Speedway		7452 - Gasoline	90.22		51,455.25
Check	2/18/2010	debt	Tractor Supply Co.		8153 - Farm Sup...	42.76		51,412.49
Check	2/22/2010	9888	Wells Fargo		-SPLIT-	3,183.20		48,229.29
Check	2/22/2010	9864	Angel Vicencio		7702 - Hourly	895.89		47,333.40
Check	2/22/2010	9868	Roberto Juarez Texquis		7702 - Hourly	871.98		46,461.42
Check	2/22/2010	9871	Nike Bekel		7702 - Hourly	298.08		46,163.34
Check	2/22/2010	9887	Pleasant Home Farm Inc.		7304 - Corn Storage	22,161.00		23,942.34
Check	2/22/2010	9860	Horta LLC		650 - Custom Hra	2,034.00		21,908.34
Check	2/22/2010	9880	Caesar Garcia Molina		7702 - Hourly	1,333.91		20,574.43
Check	2/22/2010	9834	Ralph Emrick		8101 - Hoof trim...	1,184.00		19,390.43
Check	2/22/2010	9876	Juan Garcia		7702 - Hourly	940.16		18,450.27
Check	2/22/2010	9869	Roberto Juarez Texquis		7702 - Hourly	923.62		17,526.65
Check	2/22/2010	9879	Edgar Reyes		7702 - Hourly	898.38		16,628.27
Check	2/22/2010	9870	Pablo Molina		7702 - Hourly	867.64		15,760.63
Check	2/22/2010	9872	marco Antonio		7702 - Hourly	814.30		14,946.33
Check	2/22/2010	9882	Agustin Serrano		7702 - Hourly	770.72		14,175.61
Check	2/22/2010	9883	Luis Alberto Cervantes		7702 - Hourly	749.24		13,426.37
Check	2/22/2010	9873	Juan Garcia		7702 - Hourly	744.49		12,681.88
Check	2/22/2010	9887	Gervino Ramos Ramos		7702 - Hourly	692.19		12,010.69
Check	2/22/2010	9846	Town of La Fontaine Muncip...		77052 - Utilities &...	558.19		11,452.50
Check	2/22/2010	9861	Santia Lopez		7702 - Hourly	517.37		10,935.13
Check	2/22/2010	9842	mandars equipment		8003 - Livestock ...	387.60		10,547.53
Check	2/22/2010	debt	Plevna Implement		8003 - Livestock ...	247.33		10,300.20
Check	2/22/2010	9884	Margarita Ramirez		7702 - Hourly	209.00		10,111.20
Check	2/22/2010	9886	La Pablantea		815 - Bank Char...	188.00		9,923.20
Check	2/22/2010	9860	Embargo		6302 - Telephone	158.58		9,764.62
Check	2/22/2010	debt	Marathon		7452 - Gasoline	46.00		9,718.62
Check	2/22/2010	9853	Hosier Blue Flame		7453 - Propane	2,153.50		7,565.12
Check	2/22/2010	9810	Eduardo Morales		7702 - Hourly	1,091.41		6,473.71
Check	2/22/2010	9805	Juan Garcia		7702 - Hourly	1,082.82		5,390.89
Check	2/22/2010	9811	Edgar Rivera		7702 - Hourly	958.02		4,432.87
Check	2/22/2010	9881	Alfredo Martinez		770 - Payroll Exp...	905.63		3,527.24
Check	2/22/2010	9896	Roberto Juarez Texquis		7702 - Hourly	885.77		2,641.47
Check	2/22/2010	9877	Guillermo Lopez		7702 - Hourly	859.93		1,781.54
Check	2/22/2010	9851	Embargo		6302 - Telephone	641.38		1,139.16
Check	2/22/2010	debt	Wal-Mart		8154 - Office Su...	193.48		945.68
Check	2/23/2010	debt	Super 8 Motels		7905 - Other	134.43		811.25
Check	2/23/2010	debt	Marathon		7452 - Gasoline	43.26		767.99
Deposit	2/23/2010			Deposit	510 - Hollar Calv...	9,000.00		10,055.17
Check	2/24/2010	9883	North Central Co-op		7452 - Gasoline	5,076.84		5,000.00
Check	2/24/2010	debt	Indiana Gas Co		77052 - Utilities &...	1,054.28		3,945.72
Check	2/24/2010	9889	Indiana State Board of Anima...		810 - Animal Hw...	1,000.00		2,945.72
Check	2/25/2010	9872	Indiana Department of Raven...		8004 - Acedued ...	1,524.74		1,420.98
Check	2/25/2010	9855	DeLaval Direct		-SPLIT-	1,204.21		236.77
Check	2/25/2010	debt	Speedway		7452 - Gasoline	21.39		214.38
Deposit	2/25/2010			Deposit	5001 - Milk Adva...	76,994.94		77,208.98
Check	2/26/2010	debt	Zenland Farm Services		7302 - Commodit...	6,000.00		71,208.98
Check	2/26/2010	debt	Sankmax Marketing		7302 - Commodit...	4,000.00		67,208.98
Check	2/26/2010	debt	Wabash County REMC		8001 - Electric	6,314.03		60,894.95
Check	2/26/2010	9886	Dairy Veterinary Management...		-SPLIT-	2,801.50		58,093.45
Check	2/26/2010	9819			6252 - Supplies...	2,400.00		55,693.45
Check	2/26/2010	debt	Wabash County REMC		77052 - Utilities &...	2,258.86		53,434.59
Check	2/26/2010	debt	Southside Supply		8153 - Farm Sup...	79.63		53,354.96
Check	2/26/2010	debt	Wabash County REMC		77052 - Utilities &...	189.58		53,165.38

PRELIMINARY

NEW SCHOONEBEEK DAIRY, LLC
STATEMENT OF ASSETS, LIABILITIES
AND MEMBER'S EQUITY (DEFICIT)
INCOME TAX BASIS
FEBRUARY 28, 2010

<u>ASSETS</u>	
CURRENT ASSETS:	
Cash	\$ 53,310
TOTAL CURRENT ASSETS	<u>53,310</u>
PROPERTY AND EQUIPMENT - AT COST:	
Land improvements	\$ 160,843
Buildings	13,495
Machinery and equipment	1,125,234
Dairy livestock	<u>7,433,741</u>
TOTAL PROPERTY AND EQUIPMENT - AT COST	8,733,313
Accumulated depreciation	<u>(5,708,029)</u>
NET PROPERTY AND EQUIPMENT - AT COST	<u>3,025,284</u>
OTHER ASSETS:	
Investments in cooperatives	163,056
Loan fees - net of amortization	<u>4,356</u>
TOTAL OTHER ASSETS	<u>167,412</u>
TOTAL ASSETS	<u>\$ 3,246,006</u>
<u>LIABILITIES AND MEMBER'S EQUITY (DEFICIT)</u>	
LIABILITIES NOT SUBJECT TO COMPROMISE:	
Current:	
Payroll taxes	\$ 296
Notes payable - Rabo AgriFinance	<u>2,772,954</u>
TOTAL CURRENT LIABILITIES	<u>2,773,250</u>
TOTAL LIABILITIES NOT SUBJECT TO COMPROMISE	<u>2,773,250</u>
LIABILITIES SUBJECT TO COMPROMISE:	
Subordinated debt	<u>554,478</u>
TOTAL LIABILITIES SUBJECT TO COMPROMISE	<u>554,478</u>
TOTAL LIABILITIES	<u>3,327,728</u>
MEMBER'S EQUITY (DEFICIT):	
Beginning equity (deficit)	(122,318)
Member's (withdrawals)	(10,000)
Net income	<u>50,596</u>
TOTAL MEMBER'S EQUITY (DEFICIT)	<u>(81,722)</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	<u>\$ 3,246,006</u>
See Accountant's Compilation Report.	

PRELIMINARY**NEW SCHOONEBEEK DAIRY, LLC****STATEMENTS OF INCOME AND EXPENSES
INCOME TAX BASIS**

	ONE MONTH ENDED FEBRUARY 28, <u>2010</u>	TWO MONTHS ENDED FEBRUARY 28, <u>2009</u>
INCOME:		
Milk	\$ 450,499	\$ 1,015,154
Livestock revenue	10,452	11,992
Cull cow revenue	10,510	37,273
Other income	29,430	58,910
TOTAL INCOME	<u>500,891</u>	<u>1,123,329</u>
EXPENSES:		
Amortization expense	500	1,000
Animal health	36,377	82,612
Bank charges	1,474	3,105
Bedding	6,413	13,806
Breeding	5,040	8,200
Custom hire, manure hauling & other	11,078	16,761
Depreciation	105,000	210,000
Feed	165,220	394,274
Fuel	16,407	31,412
Hauling and trucking	8,227	17,022
Insurance	3,098	3,098
Interest	11,611	23,476
Wages, contract labor, benefits & taxes	67,858	132,060
Marketing	12,205	25,506
Miscellaneous	157	182
Professional fees	120	1,870
Repairs and maintenance	12,599	28,146
Rent	-	50,000
Supplies	5,480	10,607
Taxes	25	25
Utilities	7,278	13,071
TOTAL EXPENSES	<u>476,167</u>	<u>1,066,233</u>
INCOME (LOSS) FROM OPERATIONS	<u>24,724</u>	<u>57,096</u>
OTHER (EXPENSE):		
Legal fees	(6,500)	(6,500)
TOTAL OTHER (EXPENSE)	<u>(6,500)</u>	<u>(6,500)</u>
NET INCOME (LOSS)	<u>\$ 18,224</u>	<u>\$ 50,596</u>

See Accountant's Compilation Report.

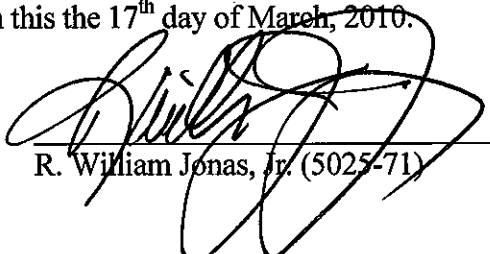
Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing document was sent to:

Nancy J. Gargula
One Michiana Square Building
Suite 555
100 East Wayne Street
South Bend, IN 46601-2349

Alex Edgar
100 E Wayne Street
One Michiana Square
RM 555
South Bend, IN 46601

by first-class mail, postage fully prepaid on this the 17th day of March, 2010.



R. William Jonas, Jr. (5025-71)